

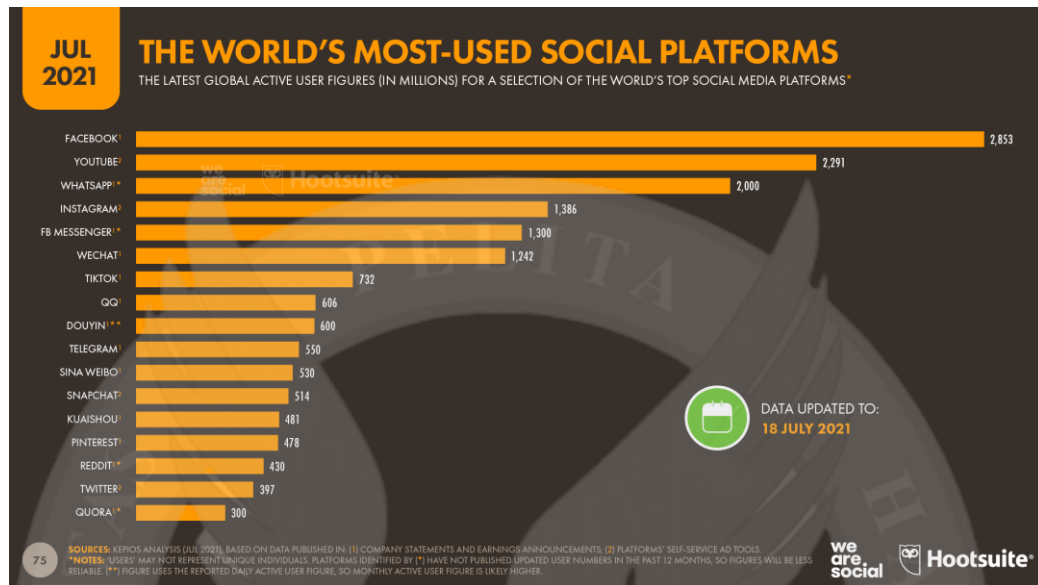
CHAPTER 1

1.1 Research Background

Human resources management is a process of hiring, recruiting, and developing employees within the organization or company. Human resources managements include of experimenting job analyses, planning, personal needs, recruiting, training, managing wages, etc (Macke & Genari, 2019). Needs and wants for employees can be met through detail and well-organized management process. Nowadays, we realize that the most important thing in economy and in the organization is the improvement and quality of the employees. This quality and improvement can be met through job satisfaction and motivation which enable the employee to finish their task effectively. That is why manager needs to know the current trends that could improve the employee motivation.

In the era of globalization, the population has increase through the year. People interact with each other throughout various things from all over the worlds. With the technological advance is in human hands, the communication and interaction by people from across the worlds in unlimited. Technological advances take a huge role in communication aspect. Hence, it makes communication between people easier and more efficient than before. Globally, telecommunication processes are crucial for people to contact each other, without advance telecommunication it would be difficult for people to interact distantly. Nowadays in modern era, the world already fitted with many kinds of social media platform

like WhatsApp, Facebook, Zoom Call, Microsoft Teams, and etc. Those platforms are made to make people interact with each other easier from distant.



Picture 1: (Global Social Media Stats — DataReportal – Global Digital Insights, 2021. <https://datareportal.com/social-media-users>)

According to the Global Media Stats, as we can see from above Facebook is the most used social media platform per July 2021. The reason behind this is because Facebook is fitted with the important aspects from telecommunication processes. In Facebook, user can easily transfer any data rapidly, it reached all demographic aspect, it creates large network from various people, and most importantly it helps people. Telecommunication process should be made to help people do their job easier.

In the past before telephone was invented by Alexander Graham Bell, it was invented to make communication more effective, and efficiency then telegraph. When the telephone was invented and started to spread over the world, the telecommunication processes became more faster, more effective, and help more people. Social media could be used has to follow a certain rule from a telecommunication company. Telecommunication company is behind the reason why people now can communicate to each other globally. They are the one who gives rights, access, and liabilities for all social medias platform to operate and connection people. Furthermore, in this pandemic era of Covid 19, people from all over the worlds tend to stay at home to avoid the virus spread. For instance, one of the biggest telecommunication companies in Indonesia, Indosat, due to this pandemic and work home policy they experienced an increase in traffic data as 27% and Telkomsel experience the same with an increase of 22,8 % during this year. This shows that more people need to enjoy this telecommunication service (Gilang Akbar Prambadi, 2021)

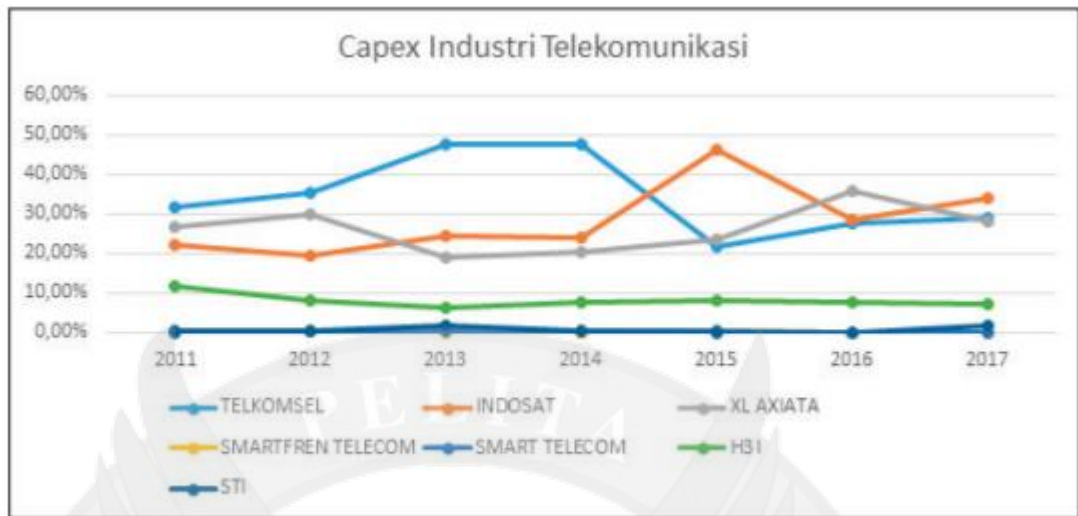


Sumber: BPS 2010-2018

Source: Source: Data Dit Pengendalian PPI, 2018

Picture 2: GDP Telecommunication Industry Indonesia

As we can see from the picture above is about a graph that stated the gross domestic product from telecommunication industry in Indonesia. This data was taken from Badan Penelitan dan Pengembangan SDM, under the surveillance of KOMINFO (Tim Peneliti. According to the graph, the impact from telecommunication industry in Indonesia keeps increasing every year, meaning the market share is increasing as well. However, in 2013 and 2014, the GDP decreased but started to increase by the following year. In 2017, the telecommunication industry itself had Rp. 16.56 billion in GDP which followed by the increase of market share.

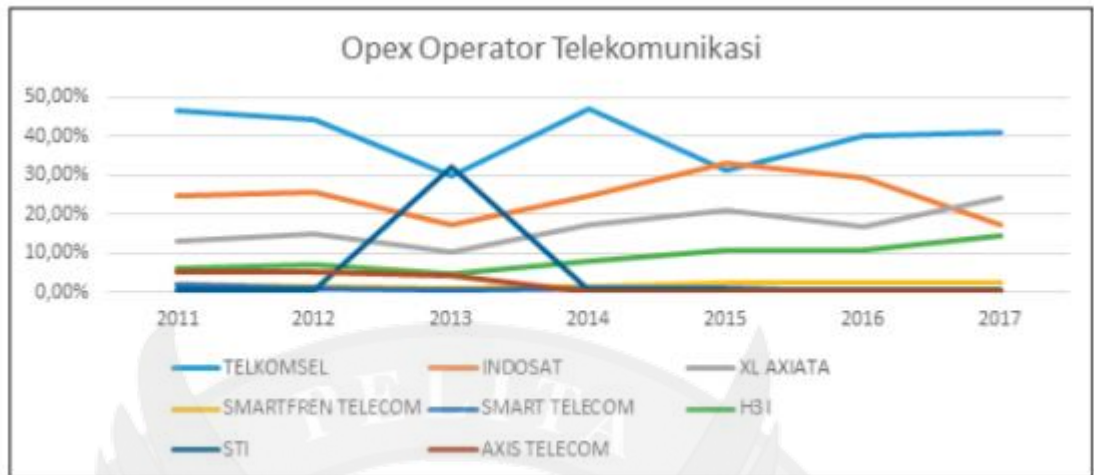


Sumber: Diolah dari data Dit Pengendalian PPI, 2018

Source: Data Dit Pengendalian PPI, 2018

Picture 3: Expenditure Telecommunication Industry Indonesia

The graph above is about capital expenditure that every telecommunication company in Indonesia spend each year. According to this data that was taken from directorate of postal control and information, organization with the highest capital expenditure has the highest market share which are Telkomsel, Indosat, and XL Axiata. Each year, these organization is known to be the pilar and become the benchmark of telecommunication industry in Indonesia.



Sumber: Diolah dari data Dit Pengendalian PPI, 2018

Source: Sumber Daya, Perangkat, dan Penyelenggaraan Pos dan Informatika
Badan Penelitian dan Pengembangan SDM Kementerian Komunikasi dan Informatika

Picture 4: Expenditure Telecommunication Industry Indonesia

The graph above is about operational expenditure that every telecommunication company in Indonesia spend each year. The purpose of operational expenditure is to expand the asset and ensure the organization activity is well prepared. According to the graph, the highest operation expenditure is done by Telkomsel, with the highest market share.

In Indonesia, all the telecommunication services company work under Kominfo. Kominfo stands for ministry of communication and information technology. All processes that is related to telecommunication processes must work according to the Kominfo's law and policy. They are the one who protects and cover

telecommunication processes in Indonesia. Furthermore, in Indonesia itself the telecommunication services company is also competitive as in global. Some of the organizations are states owned enterprises and some are not. According to CNBC Indonesia, the most profitable telecommunication services company is still Telkomsel. Last year, even during the pandemic they asset increase becoming Rp.16.57 Trillion in 2020(Wareza, n.d.). According to its annual report in 2020, they have the total employees of 25.348 across Indonesia and it predicted to increase every year. Telkomsel is believed to invest more in his employees to deliver high quality service all the time. In 2020, they invested about Rp 94.459 million to improve employee performance. They believed that employee is the most important asset for their success.

Telecommunication industry in Indonesia will keep expanding overtime as not all places in Indonesia able to receive and enjoy this technology. It is the organizations job to control di employees to be able to give high quality services and innovate, hence helping many people through the usage of telecommunication services.

Leadership style is an action by the leader to influence and motivate the followers, hence they could achieve the same goals (Gibson et al, 2012:312). Organizational commitment is a feeling of willingness by the employees to stay in the organization (Colquitt et al, 2019:62). Employee performance is directly connected with employee's motivation and ability to perform high quality service (Noe et al, 2016:4).

Through this phenomenon, the author would like to investigate whether suitable leadership style, job satisfaction, and employee performance can boost organization value. Furthermore, this research paper is intended to measure the effect of suitable leadership style, job satisfaction, and employee performance. It is important for organization to superintend the employees to achieve the organization mission. To build strong relationship between the managers and employees so create positivity within the organization.

Furthermore, throughout this stage, all these three companies which are Telkomsel, XL Axiata, and Indosat is going through some major changes. The changes are in terms of the changing of leadership and merging between the companies. In May 2021, Telkomsel changed its whole direction. XL and Indosat merge with two different companies. XL merged with Axis which becomes XL Axiata and Indosat Merge with Three Indonesia.

According to this situation, those three telecommunication companies is adapting to new leadership style and different situation which could affect their commitment and performance. Different leader might have different leadership traits which could affect the employees. Moreover, it needs adaptation for the employee to work in different system. This could determine whether the changing in leader could affect the loyalty of the employee and at the end effect their performance towards the customer and company.

1.2 Research Question

The research questions of this project are:

1. Does authentic leadership style in organization has major impact towards employee performance?
2. Does authentic leadership style in organization has major impact towards company revenue?
3. Does organizational commitment have major impact towards employee performance?
4. Does organizational commitment have major impact towards company revenue?

1.3 Research Obejective

1. To determine whether authentic leadership style in organization has major impact towards employee performance?
2. To determine suitable whether authentic leadership style in organization has major impact towards company revenue?
3. To determine whether organizational commitment has major impact towards employee performance?

4. To determine whether organizational commitment has major impact towards company revenue?

1.4 Benefit of the Research

For companies that needed to improve their employee performance, this research paper is suitable for them to improve the organization performance through building proper team structure and employee motivation.

This research paper is suitable for them to give understanding that Authentic Leadership Style and Organizational Commitment could affect Employee Performance.

In Indonesia, there is no research for these specific variables regarding Authentic Leadership Style, Organizational Commitment, and Employee Performance. That is why there is a theoretical gap for this research paper.

1.5 Scope of the Research

This research paper is conducted only for customer service that works for the three biggest telecommunications companies in Indonesia which are Telkomsel, Indosat, and XL Axiata. The reason behind this is because customer service is the one who interacts and help customer needs directly. Customer service also part of the division that is crucial for these three companies because they take suggestion and critics regarding the company performance directly from customer.

Furthermore, this questionnaire will be conducted only for employees with the age of 20 years or more. The questionnaire of this research paper will be conducted from the customer service division.

1.6 Systematic Outline

The research paper is split into five different chapters which are:

Chapter 1: Introductions

This chapter will discuss the background of the study, problem statement, research questions, the purpose of the project, the benefits, contribution, and outline of the paper.

Chapter 2: Literature Review

This chapter will discuss regarding the theories regarding the dependent and independent variables that are being discussed on the paper. This chapter will also discuss the research model that connect the independent and dependent variables into getting the final hypotheses.

Chapter 3: Methodology

This chapter will discuss the process of the research project. Factors that are included are the method of research, the sources of the data that includes the population and sample. Lastly, this chapter will test the hypothesis.

Chapter 4: Findings and Analysis

This chapter will reveal the results of the research and discuss in detail about the findings of the research. Based on the theories of the previous chapter, we will analyze on how the results matched with the past literatures and the results of the hypothesis testing.

Chapter 5: Conclusion

This section of the paper would talk about the conclusion of the research, the suggestion for practitioners, the limitations and how this paper can be improved for future research.

